

### REMARKS

Claims 1-33 are pending. Claims 18-28 are withdrawn. Claims 1-17 and 29-33 are presented for examination.

The Applicants prefer to advance prosecution before making a determination of which claims, if any, to cancel.

#### 35 U.S.C. §101

The Examiner rejected claims 1-17 and 29-33 under 35 U.S.C. §101 as being directed to non-statutory subject matter.

More specifically, the Examiner argues that the Applicants' claims **"are not directed to a practical application ... because the claims do not require any physical transformation and the invention as claimed does not produce a useful, concrete, and tangible result."**

Applicants disagree. The standard for statutory subject matter is whether the claims produces a useful, concrete and tangible result. Amended claims 1-17 and 29-33 comply with this standard.

Independent claim 1 is directed towards a system for an electronic trading venue for trading of securities. Claim 1 covers a practical application because it includes a client station, including a graphical user interface that allows a user to choose a priority type for how an order interacts with contra side quotes/orders in the trading venue.

Independent claim 29 is directed to: "a computer program product ... residing on a computer readable medium comprising instructions for causing a computer to receive an order entered from a client station ... and determine a priority type for how the order interacts with contra side quotes/orders in the trading venue ." By executing the instructions, the computer performs the recited features of the claim including the practical application of determining a priority type for how an order interacts with contra side quotes/orders in the trading venue. As such, the instructions on a computer-readable medium provide a practical application and a useful, concrete, and tangible result. Furthermore, the Federal Circuit has specifically

recognized that "computer programs embodied in a tangible medium, such as floppy diskettes, are patentable subject matter under 35 U.S.C. §101."<sup>1</sup>

Dependent claims 2-17 and 30-33 define patentable features of the invention and are similarly directed towards statutory subject matter.

The Applicants' claims 1-17 and 29-33 provide useful, concrete, and tangible results previously affirmed by this Office and the Courts. If the Examiner persists in rejection of these claims as directed to non-statutory subject matter, applicant requests that the Examiner furnish a proper basis for such rejection.

### 35 U.S.C. §112

The Examiner rejected claims 2-17 and 29-33 under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential elements, such omission amounting to a gap between the elements.

As amended, the Applicants' claims 2-17 and 29-33 fully comply with the requirements of 35 U.S.C. 112 by (a) setting forth the subject matter that applicants regard as their invention; and (b) particularly pointing out and distinctly defining the metes and bounds of the subject matter that will be protected by the patent grant.

According to the MPEP, "A claim does not necessarily fail to comply with 35 U.S.C. 112, second paragraph where the various elements do not function simultaneously, are not directly functionally related, do not directly intercooperate, and/or serve independent purposes."<sup>2</sup>

The Examiner argues:

**Claims 29-33 recite the limitation "receive orders entered from a client station the orders for execution against any market participant that can at least in part satisfy the order; and determine a priority type for how the order interacts with contra side quotes/orders in the market". It is not clear how these two limitations are related. The elements relating the two limitations are missing.**

Contrary to the Examiner's assertion, the Applicants are not required to define within claims 29-33 "how these two limitations are related."

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<sup>1</sup> In re Beauregard, 53 F.3d 1583, 1583-84 (Fed. Cir. 1995).

<sup>2</sup> See MPEP 2172.01 quoting *Ex parte Huber*, 148 USPQ 447, 448-49 (Bd. Pat. App. 1965)

Claims 1-17 were rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

The Examiner argues: **"Claim 1 claims a system but recite [sic] the steps of a method."** As amended, claim 1 properly refers to a system claim and the structural elements of the claimed system. Dependant claims 2-17 have been amended, as necessary, to properly refer to a system claim.

The Examiner further argues:

**Dependent claims 2-17 and 30-33 recite limitations such as "the non-directed order", "marketable limit order", "Liability Order", "priority that is strict price/time, or price/size/time, or price/time", "ECN", "ECN access fees", "UTP Exchanges", "non-attributable agency orders of UTP Exchanges", "principal quotes of UTP Exchanges", "separate quote-access fee", "separate quote-access fee to non-subscribers" which are not clear.<sup>3</sup>**

The portions cited by the Examiner refer to common terms of art that are well known within the field of electronic trading venues. In addition, the Applicants have defined many of these terms within the specification. For example, the Applicants' application defines UTP Exchanges as exchanges that have unlisted trading privileges and ECNs as electronic communication networks.<sup>4</sup> A person of ordinary skill in the art would be able to determine the scope of the claims, and if need the person skilled in the art can consult Applicant's specification and the recited claim language for additional guidance. However, in order to advance prosecution, the Applicants have amended claims 4, 7, 8 and 31 to define the abbreviated terms.

The Examiner also argues that **"in claim 2 it is not clear how the server system is related/connected/linked to the client station in claim 1."** As discussed above, the elements of claim 2 are not required to directly functionally relate or directly intercooperate. However, a person of ordinary skill in the art would be able to identify the typical server-client relationship currently recited in claim 2. Furthermore, Applicants' specification describes that "the electronic market

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<sup>3</sup> See Office Action at page 6.

<sup>4</sup> See page 1, paragraph [0002]; page 1, paragraph [0023].

includes client systems 12 that access a central quote/order collector facility ...comprised of one or preferably a plurality of server computers”<sup>5</sup>

Similarly, amended claim 3 properly identifies the relationship between the entered order and the nondirected order.

Applicants have amended claims 9 and 10 to address the Examiner's objections that the claims are not clear. For example, amended claim 9 recites: “if [an] order remains unsatisfied ... the server executes the order against principal quotes of Unlisted Trading Privilege (UTP) Exchanges, in price/size/time priority between such interest.” Furthermore, amended claim 10 describes “the system of claim 6 wherein the order executed against the reserve size is executed against based on the size of the related displayed quote, not the total amount held in reserve.”

Accordingly, Applicants believe that claims 2-17 and 29-33 recite all of the essential elements and are in condition for allowance.

### Conclusion

It is believed that all the rejections and/or objections raised by the Examiner have been addressed.

All of the dependent claims are patentable for at least the reasons for which the claims on which they depend are patentable.

Any circumstance in which the Applicants have (a) addressed certain comments of the Examiner does not mean that the Applicants concede other comments of the Examiner, (b) made arguments for the patentability of some claims does not mean that there are not other good reasons for patentability of those claims and other claims, or (c) amended or canceled a claim does not mean that the Applicants concede any of the Examiner's positions with respect to that claim or other claims.

Applicant notes that the examiner has not furnished any prior art rejections. Therefore, Applicant believes that the claims are in condition for allowance and such action is requested.

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<sup>5</sup> See page 1, paragraph [0023].

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Applicant further notes that should the examiner elect to cite prior art in an office action, rather than issue an allowance, that it would be improper to make the next rejection final.<sup>6</sup>

No fees are believed due at this time. Please apply any other charges or credits to deposit account 06-1050 referencing attorney docket 09857-061001.

Respectfully submitted,

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<sup>6</sup> See 706.07(a)Final Rejection, When Proper on Second Action [R-5].